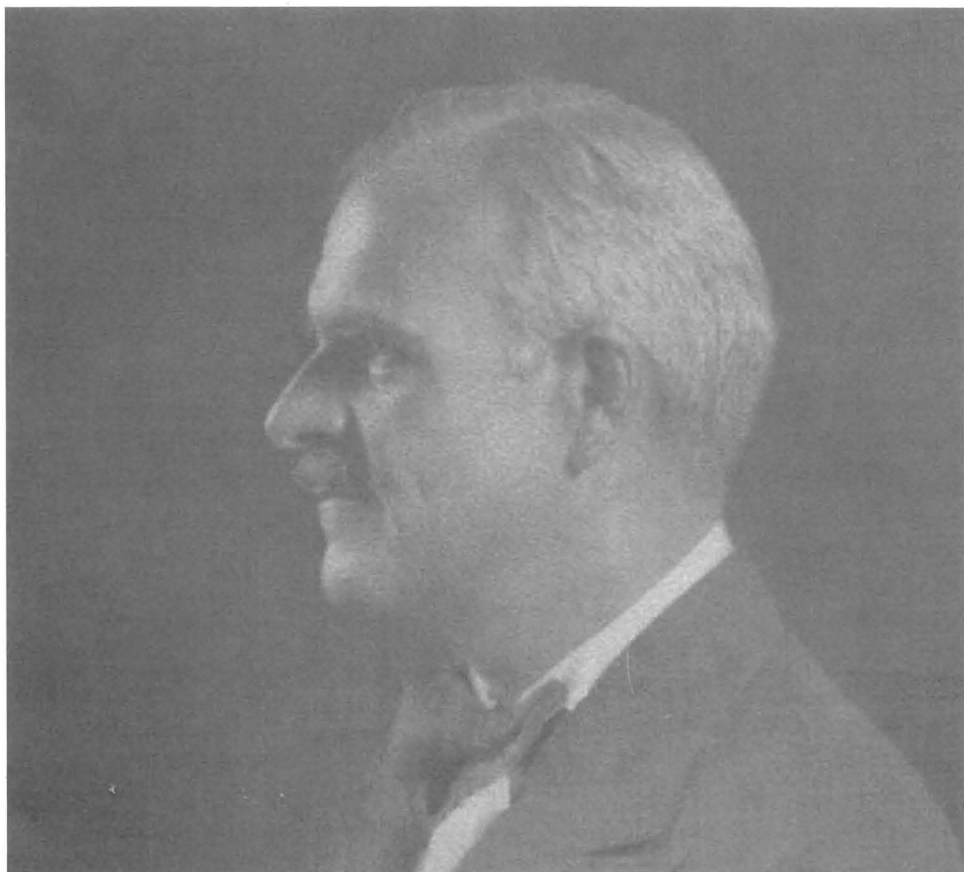


RUTLAND HISTORICAL SOCIETY
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**When the F.B.I. Came
To Town: One of
Vermont's Mysteries**



WILLSON FAMILY

Mr. Earle V.K. Willson of Shadow Lane, well-known Rutland business-man, who supposedly had received a threat to kidnap his two children if he did not bring a significant amount of money to a certain spot on the golf course.

About the Author

Mary Fregosi is a retired educator who lives in Proctor. Her study of the Vermont Marble Company Strike of 1935 – 1936 appeared as the subject of the 2002 fall issue of the *Quarterly* (Vol. 32 No. 3). In 2003 she contributed “A History of the Proctor Y.M.C.A. and the Sutherland Club” (Vol. 33 No. 1). Mary is a Proctor native and has been intrigued by many of the pieces of Proctor’s rich history. She has also researched and written a history of the Proctor-Pittsford Country Club and another history of Proctor High School boys’ basketball. The Society is indebted to her for not only her wonderful research of local history but her willingness to allow the Society to publish her excellent work. This issue of “When the F.B.I. Came To Town: One of Vermont’s Mysteries” follows in the footsteps of her other research and writing with a touch of mystery.

Introduction

Most Vermonters by April have had enough of winter and anticipate the warmer days and showers that usually accompany this month but no one in 1934 could have imagined what was to occur, both in nature and in society, during this time. Still feeling the pinch of the Depression, Vermonters took solace in going to the cinema and immersing themselves in movies about King Henry VIII of England portrayed by Charles Laughton or about a gambling lady starring Barbara Stanwyck. In Rutland Murdick-Durkee advertised chicken lobster for 29 cents each and two dozen eggs for only 39 cents and if one wanted a car a new Plymouth could be purchased for as little as \$530.00. These are terrific prices by today’s standards but in the depths of the Depression few could afford lobster or new cars.

All the excitement in the news seemed to be occurring far away from Vermont in general and the Rutland area in particular. John Dillinger, Public Enemy #1, was continually eluding local, state, and federal agents, as was “Baby Face” Nelson who had managed to slip away in a stolen car. Authorities were still trying to locate the Lindbergh ransom money and several other kidnappings had recently made the news.

Then on 15 April 1934, excitement arrived when an earthquake shattered the calm in the Green Mountains and Rutlanders felt the force of its shock waves as windows rattled and dishes clattered in cupboards throughout the County. Less than two weeks later events occurred in the area that gave everyone even more to talk about.

When the F.B.I. Came To Town: One of Vermont's Mysteries

By Mary Fregosi

On 26 April 1934, the *Rutland Herald* ran the following front page headline: "20 Mystery Sleuths Upset Rutland's Calm", "Department of Justice Agents Arrive Mysteriously and Depart Same Way, Hundred Persons Grilled". Everyone wondered what could have happened to bring so many F.B.I. agents to the Rutland area.

Rumors quickly circulated and intensified after local authorities stated that they were not made privy to any information that could reveal the nature of the investigation. So it became a game of best guess. Rumors and a few facts led a *Herald* reporter to point to possible reasons for the federal agents being in Rutland. Extortion, kidnapping, counterfeiting, or narcotics appeared to be plausible reasons.

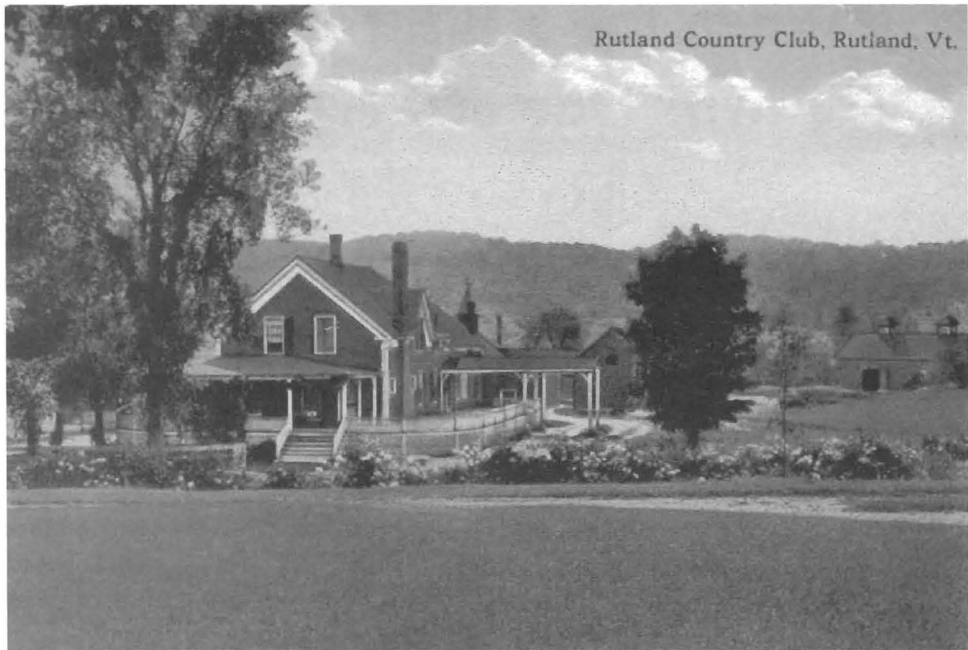
It seemed that on Monday, the 23rd of April federal agents had extracted a promise from *Herald* reporters not to print any articles about their presence in the community for at least two days. The spokesperson had indicated that the investigation was very important and that premature publicity would hinder the agents' progress in the case.



CINDY TAYLOR PATCH

Chief of Police, Roy H. Leonard, had spoken with the agents, and had been told that they were taking their orders from Washington, D. C. Absolutely no one was to be apprised of the nature of the investigation. They informed Leonard that if arrests were to be made that his department would be asked to make them. Leonard, like the *Herald* reporters, was being kept in the dark.

Rutland Country Club, Rutland, Vt.

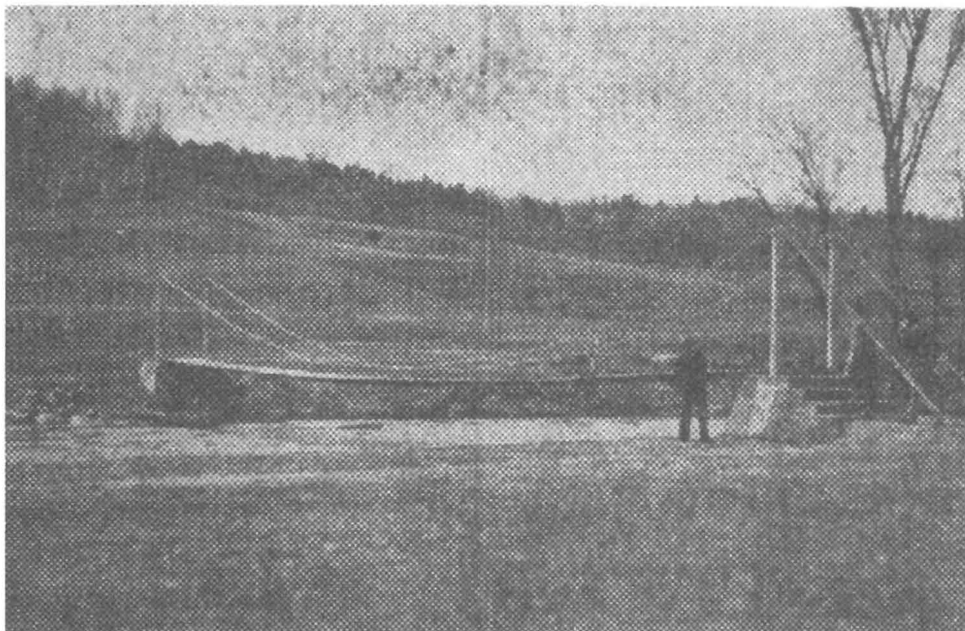


The Rutland Country Club and golf course of the era.

However, residents in the city and area became curious when strange men began appearing in even stranger places. It seemed that the main area of concentration was at the Rutland Country Club and on Pine Hill. Word had it that caddies and other workers at the club as well as boys and young men who lived on Baxter and Library Avenues were being called to the Federal Building in what the *Herald* would later refer to as the “star chamber” sessions. It was reported that parents were neither asked nor allowed to attend these meetings. A list of 28 boys who had undergone questioning accompanied the front-page story.

The first individual to be questioned was Raymond Webster who lived on Baxter Street. His session with the federal agents reportedly lasted from 8:00 p.m. on Saturday, the 21st of April, until early the following Sunday morning. Just what could have happened to bring a 14 year old to the attention of the F.B.I.?

According to the article on the front page of the *Herald* on the 26th of the month young Webster was walking near Pine Hill on Saturday, the 21st of April, when he spied a paper sticking out of the ground near an oak or a maple tree. Later that same day he returned with some of his friends, removed the dirt, and extracted two boxes wrapped in newspaper in a hole. Instantly, two men emerged from nearby bushes and the boys, fearing whom they were, ran away leaving the boxes behind and ignoring orders to stop. The boys



The bridge at the south end of the golf links, shown above, figured prominently in the questions asked those brought in for grilling by the F.B.I. agents. Pine Hill is shown to the left.

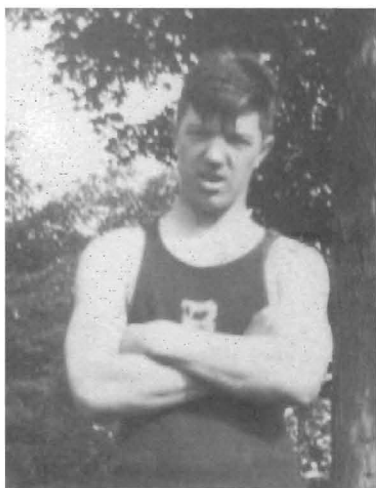


A golfer's view of the elm tree near the fourth green, near which the mysterious package was found by Raymond Webster.



Photo above shows close-up with hand pointing to hole in the ground at the golf club where Raymond Webster discovered the mysterious package which started the investigation.

reported that they heard some gunfire as they fled. A short time later, agents appeared at the Webster house and brought Raymond to the Federal Building for questioning. Webster indicated that he did not know the contents of the boxes.



RUTLAND HISTORICAL SOCIETY

Also questioned was Raymond Brunelle who had been target shooting on Pine Hill that same Saturday. He was asked what kind of gun he owned, what the targets were, if they were bottles, where he had obtained them, what he did on Saturday, what time he had returned to his Library Avenue home that day and if he had seen any strangers in the area where he was shooting. It was also rumored that those brought in for questioning had to write something and that the agents had fingerprinted all of them.

Speculation abounded. One rumor was that agents were trying to catch an extortionist who had been told that there would be money

for him at that spot at the country club. Another theory circulating was that agents had been sent to Rutland to prevent a kidnapping and that kidnappers had designated the country club as a drop area for the ransom money. A third rumor was that there was counterfeit money in the boxes and a fourth story indicated that there were narcotics in the boxes.

The *Herald* learned from an "authentic source" that as many as four or more agents were in Rutland two weeks prior to the story in the press. Further it was revealed that the F.B.I. had questioned a circulation agent of an Albany newspaper, seeking names of newsboys in West Rutland, Proctor, and Center Rutland. The agents were looking for information in reference to what they perceived to be a coded message in an Albany newspaper.

And the stories kept coming. Supposedly a man approached a Rutland businessman and offered him \$40.00 for each \$100.00 in \$5.00 and \$10.00 bills he circulated throughout the city. When the businessman made a move to inform the authorities, the stranger disappeared. Was this then, a case of counterfeiting?

Even a hermit who resided on Pine Hill was brought into the mystery, but his involvement in the case was dismissed when it was learned that his shack had burned down some time ago and that he no longer was living there.

On Friday, the 27th of April the *Herald* printed the mystery note that those who had been questioned were asked to write. It read: "If you will co-operate in giving your fingerprints and help us out, it will make the country safer for you and your family. If you meet us at the Union Station in Albany on Thursday, Friday, or Saturday of the last week in April, your troubles will be over and we will never trouble you again. On your arrival at Albany you will receive \$1,000.00 for your trouble."

What did this baffling message mean and what, if anything, did it have to do with extortion, kidnapping, narcotics or counterfeiting?

It seemed that this was a case of attempted kidnapping. In this same issue the *Herald* ran a story that revealed a possible motive for the arrival of some twenty federal agents involved a kidnapping. It was believed that a well-known businessman who resided near the Rutland Country Club was threatened with the kidnapping of his two children if he did not bring a significant amount of money to a certain spot on the golf course. He allegedly had referred his situation to the office of the United States Attorney General in Washington. J. Edgar Hoover, the head of the Federal Bureau of Investigation, had immediately dispatched the agents to Rutland. Attempts to contact Mr. Earle V. K. Willson of Shadow Lane, the

gentleman who supposedly received the kidnapping note, failed because he was out of town with his family, visiting relatives. It was also rumored that threats to kidnap children had also been received by some Proctor residents.

Yet, the rumors would not stop. A story circulated that some of the ransom money from the Lindbergh case had been located in the area but none had appeared at local banks. It also seemed that narcotics could be a reason for the appearance of so many agents. Recently it had been revealed that some newsstands in Miami, Florida, were selling "doped" cigarettes for 25 cents each or for \$5.00 a pack. The rumor was that agents were trying to ascertain if newsboys in this area were connected with this type of racket. Others talked about this investigation being linked to the extortion case involving George H. Young of Brandon who was threatened with his life if he did not deposit a large amount of money on the porch of the Neshobe Country Club.

During the week more strange occurrences were reported in Rutland. Residents reported seeing an agent on top of a hill watching activities at the golf course while another was spotted surveying the area with binoculars from the top of a silo on Grove Street. The *Herald* reported that agents were using the Fitzgerald barn on Grove Street and that agents were seen disappearing into the barn and re-emerging in different clothing, sometimes changing their appearances four times a day. An owner of a Willow Street garage claimed that agents parked their cars at his business and returned five or six times a day to change their disguises. He described some of these agents as dressing as "rubes", "dudes", "Italian gardeners", and "hoboes" who were riding the rods between Rutland and Ludlow. Two strangers, believed to be agents, made a surprise visit to a short wave radio owner and watched him for a time before leaving.

By Saturday, the 28th of April, news about the Pine Hill Mystery as it came to be called, had received nationwide exposure. *The New York Times*, *The Boston American* and *The Boston Record* each carried news of the events going on in Rutland County. At this point the *Herald* had eliminated narcotics, kidnapping, and counterfeiting, and was certain that the federal agents were investigating an extortion case. Federal agents had gotten involved because it was believed that the extortion threats came from out-of-state. The *Herald* headline read: "Extortioners Here; Plot Investigated" and Kidnapping Denied: Extortion Admitted". Agents, however, refused to divulge the name of the victim. Both Hoover and the Boston head of the investigation division, Clarence D. McKean, admitted that extortionists were being sought. At least one person was threatened

with death or kidnapping. Notes sent to the victim read: "Pay a certain large sum of money or take consequences (deadly)" and "Pay a certain sum of money or your children will be kidnapped".

Agents, it was reported, had found the Rutland department store where the paper to write the notes had been purchased. Willson, denied through a friend, that he had received threats. George Young, who some time ago, seemed to have escaped the grasp of the extortionists, had been told to leave \$40,000.00 on the porch of the Brandon golf club and not to inform the authorities or he would be killed. The note was signed: "The Gang". Young, however, had contacted the police and had taken a dummy package to the designated drop area but the package had never been picked up. Young's note had been typewritten but the notes received in this case had been handwritten. Were the same criminals involved in both these cases? The patterns were similar. Both victims were told to leave money at a country club.

Agents did not confine their investigation to Rutland City. They went to Fair Haven, Poultney, Brandon, and Castleton where they examined the stationery stock at the T. L. Wright store.

Meanwhile a reporter from a Boston paper knocked on Cyril Webster's door in an obvious attempt to extract some information from Webster's son, Raymond. Mr. Webster pushed the reporter and cameraman off his porch and slammed the door in their faces. There was a rumor that the entire Webster family had been brought in for questioning.

Frustrated by the agents' unwillingness to divulge the reason why so many of them were in the area, the *Herald* sent a telegram to the F.B.I.'s McKean. It read: "On behalf of startled and mystified people of this city the *Rutland Herald* respectfully but earnestly calls upon you to reveal the circumstances which caused you to send groups of federal agents here who have grilled more than 100 young men and boys innocent of any knowledge of the object sought, who have, in various strange disguises, interviewed housewives and others upon artificial pretexts, who were armed with automatics and machine guns with which they have actually fired upon or toward innocent residents, who have concealed their purpose from the people, press, local police and even local agents."

"The community considers that you owe it an explanation of these strange happenings and calls upon you to furnish it".

A copy of this telegram was also sent to Hoover who refused to comment on it but said he would reply while refusing to give details of the extortion plot.

McKean's reply to the *Herald* was an attempt to set the record straight. In part he said: "Statements contained in your wire are

grossly exaggerated. Only 12 agents were engaged in said investigation that concerned an extortion matter. Apparently 25 to 30 persons were interviewed. No strange disguises or artificial pretext used. No residents fired upon or toward." He did, however, admit that agents had fired in the air in order to scare away the boys from the drop site on Saturday.

Mysterious events, however, continued. On the same day that McKean's response to the *Herald* found its way into print, the paper published a short item about a stranger who had paid daily visits to an unnamed caddy's house and that this visitor had presented the young man with gifts of money. The visits had occurred several weeks prior to the Pine Hill incident. The caddy refused to give any further information relating to this man, to what was discussed during the visits, or why he received the money.



PROCTOR FREE LIBRARY

Mortimer R. Proctor



PROCTOR FREE LIBRARY

Redfield Proctor, Jr.

The headline on the front page of Monday's *Herald* on the 30th of April brought further clarity to the mystery that had been confounding everybody in the area: "Extortion Gang Wanted to Hold Up Redfield Proctor." Attempts to confirm the story with Proctor failed as someone informed the *Herald* that he was out of town on business with his secretary, Mary Fowler. Benjamin Williams, the

vice-president of the Vermont Marble Company, said he had not seen Redfield and did not know where he was. He added that he knew nothing about the extortion plot other than what he had read in the paper. When Mortimer Proctor, Redfield's nephew, was contacted he did not deny or confirm the plot against his uncle. When a *Boston Record* reporter contacted him, Mortimer said that he had heard that both he and his uncle were mentioned as victims of the plot but some of his response seemed to blur the situation once again. He stated he could not validate the rumor based on advice from Clarence McKean. The fact that he mentioned his contact with McKean seemed to validate the rumor. Emily Proctor, the sister of Redfield, was questioned by the press and she informed the reporter that she had not received any threatening letters or extortion notes by phone or otherwise nor had she heard that any of her family had received such threats.

Certainly Redfield's wealth made him a prime candidate for extortionists. He was married and had three children: Robert, a student was at a prep school in Milton, Massachusetts, Margaret, attended Vassar, and Katharine, was also a student. He was a former governor and past president of a New England council, made up of leading businessmen and at the time was a candidate for the board of the U. S. Chamber of Commerce from the New England division. He supposedly was on his way to Washington, D.C. and was to stay at the Hotel Washington. Associated Press sources checked and learned that as of yet, he had not been a guest there.

The article on the 30th further revealed that more extortion letters had been postmarked from Fair Haven and Poultney. That explained the agents' visits to these towns. Post office detectives were working on tracing these letters.

A young West Rutland man, T. Duszkiewicz, had a tale to tell as well. The previous Sunday, the 22nd, he was hitch hiking on the East Proctor Road (Route 3) when he spied a car that had been driven off the road leading to the double road bridge. It was parked in darkness behind some bushes and would not have been visible to him had a car not passed at the moment he approached the area and threw a beam of light in that direction. He saw at least four men in the vehicle. He didn't think anything of it until he began to read about the mysterious events occurring in the area. It was later learned that it was that every evening that the largest number of federal agents were located in this area.

Just as one mystery was partially revealed another one occurred. On the 30th of April a *Herald* headline revealed that some deadly

explosives had been found in Forest Dale. The explosives were concealed in a decaying mattress at the edge of the woods near George Mahoney's home located on a back road in the small town. While jumping on the mattress Mahoney's children felt something solid under it and upon inspection, found two tin cans filled with a greenish-gray powder along with several caps. According to local officials, who tested the substance, the amount of the material had the force to potentially demolish a large business block or dwelling house. This discovery led people to wonder if it were connected to either the current investigation being conducted or to Young's extortion case.

On Tuesday, the 1st of May, the *Herald* reported that federal officials both in Washington and Boston practically admitted that the Proctor family indeed were the intended victims of an extortion plot and indicated that the Proctors could reveal the circumstances if they cared to do so. Attempts to reach either Mortimer or Redfield however, failed. Redfield had not as yet returned to Proctor and Mortimer had driven to Albany, accompanied by a state trooper and from there had boarded a train for New York City on Sunday, the 29th. No one in Proctor associated with the Proctor family was talking. "The lips of those who knew their whereabouts are sealed," the *Herald* wrote. It was understood that the federal agents had taken quick action resulting in the failure of the plot and that they now had sufficient evidence to make an arrest in the near future of the principals involved in the case.

Wednesday morning, the 2nd of May, residents of the Rutland area awoke to yet another headline, this one involving the plot perpetrated against George Young. Deputy sheriffs indicated that they had located the extortionists' hideout in the woods near the Neshobe Country Club in Brandon. Located southeast of the clubhouse, the camp was hidden by trees but provided an excellent view of the porch and the surrounding area. It was theorized that when Young, accompanied by several policemen, deposited the dummy package of money on the porch his actions were readily observable by the extortionists. Since they knew that the police were involved and had set up surveillance in the area they did not attempt to retrieve the package. Authorities found an old newspaper. At the top of one of the pages there was written: "ARE YOU SURE" and at the bottom: "SURE, SURE, SURE".

Federal agents were not involved in the Young case. State and local officials investigated it and were still working on the typewritten note that the local banker had received. Some fifty typewriters were

examined in Brandon and while the *Herald* had not received confirmation, it reported that officials had located the typewriter on which the note had been written. Officials hoped to make an arrest in the near future and when they did so it was hoped that the Proctor case would also be cleared up.

The *Rutland Herald* article on the 3rd of May indicated that Attorney General Lawrence C. Jones said that the Young case was in the hands of State investigator, Almo B. Franzoni. Jones believed that the note was “spite” work to frighten Young and that he was convinced that the case was not linked to the Proctor extortion plot.

Days passed with no word of any arrests being made in either case. Neither Proctor affirmed or denied that he was a victim of a plot. On the 25th of May the *Herald* reported that four men had driven around Proctor for several days and nights in a car with New Hampshire plates. On one of the nights a Proctor man contacted the Proctor chief of police, George Howe, and told him he thought he saw a machine gun in the mystery car. Others spotted the car on the road between Proctor and Pittsford, parked near an old icehouse in the northern section of town, and stopped near a gas station on South Street. Was this car connected in some way with the foiled plot against the Proctors? Were federal agents still in the area without the knowledge of local authorities? Despite denials, it was known that Department of Justice officials were in personal contact with both Redfield and Mortimer on a daily basis.

Just what happened during that mysterious April and May of 1934 has yet to be revealed. Any news about either of these cases disappears from the *Herald* after the 25th of May. If arrests were made it would seem likely that the story would have been worthy of print. To this author’s knowledge no arrests were ever made in either case.

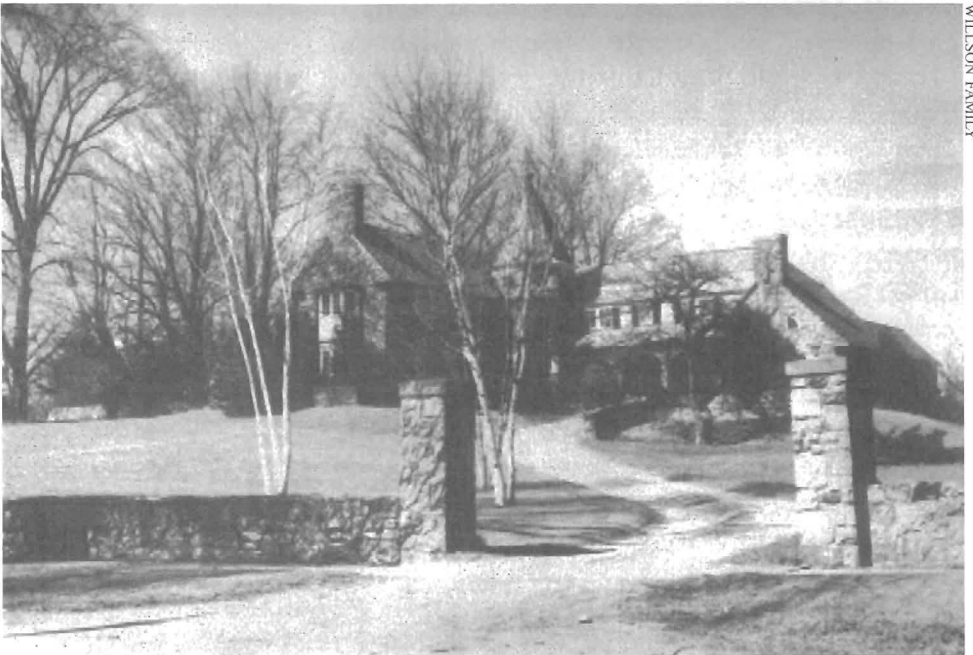
A Postscript to the Mystery

The logical solution to the mystery lay in contacting the U. S. Department of Justice and requesting the files under the Freedom of Information/Privacy Acts. My letter of January 2007, requesting those files received a reply in May. I was told that the FBI was currently searching for, retrieving, scanning, and evaluating files that might be “responsive” to my request. Once my files were located I was told that my request would be forwarded to the “perfected backlog”, where it would wait for assignment to an analyst. A month later I received yet another letter from the Justice Department. It seems that records that might have cleared up the mystery were destroyed on October 1,

1998, and since the material could not be reviewed it was not known if it actually pertained to my subject request.

Whatever transpired in the Proctor case will forever remain a mystery since both Mortimer and Redfield took to their graves their privacy in this regard. If others, close to the family, knew of the circumstances surrounding these events, they respected the Proctor's rights and apparently never uttered any information that would have brought some closure to this baffling mystery.

Some validation of a kidnapping plot in regard to the Willson family is born out by Sam V. K. Willson. The family no longer lives in the area but Kendall Wild, former editor of the *Rutland Herald*, has maintained a friendship with his Rutland High School classmate Sam Willson. When Jim Davidson of the Rutland Historical Society asked Wild if he was aware of such a plot Wild knew just who to ask. He emailed his longtime friend and received a response that began: "Well, I'll be damned!" Yes, he knew something about the matter. Willson's father had never revealed any information about the incident to his children but his mother had spoken of the plot when he and his brother were adults and she was elderly. At the time neither of the sons realized that their mother was revealing an intriguing story about an incident that had actually occurred. Both men speculated on how much fiction had been embroidered into her tale.



Shadow Lane home of the Willsons off Grove Street in Rutland which was supposed to be a target of the extortioners.



The Willson boys, Bob on the left and Sam on the right, never realized until now that Flash, the German Shepherd dog in the middle had more of a tale to tell than they ever realized.

Having received Wild's email Willson began to reflect on events that had occurred about the time of the plot. For one, his parents bought a German Shepherd for the children. They also hired a nanny/nurse for the boys so that there would always be an adult supervising the children. Willson also remembers that a big black sedan was parked for a time at the top of Shadow Lane, blocking the entrance to the rear driveway of his home. He has no memory of meeting anybody who was in the car, however.

Willson believes that his parents remained silent about the threat because they did not want the children to grow up fearful or paranoid, but certainly the Willsons' actions reflect that they took the kidnapping plot seriously.

As for the Young case, it is not known if an arrest was ever made.

Sources Cited

The *Rutland Herald* is the best source for the events that occurred from April through May of 1934. Without these news items, this story could never have been written. For those readers interested in reading these articles, the dates and titles appear below.

- 26 April "20 Mystery Sleuths Upset Rutland's Calm"
- 27 April "Here the Mystery Note in Bewildering Pine Hill Case"
- 27 April "Kidnappers Sought By Federal Agents"
- 28 April "Extortioners Here: Plot Investigated"
- 28 April "Kidnapping Denied: Extortion Admitted"
- 28 April "Mysterious Visitor Pays Visit to Caddie, Holding Secret Conferences"
- 28 April "U.S. Sleuths Duck When Asked to Tell"
- 30 April "Extortion Gang Wanted To Hold Up Redfield Proctor"
- 30 April "Deadly Explosive Found Hidden Near Forestdale, Is Mystifying"
- 1 May "Proctor Asked To Confirm Tale About Extortion"
- 2 May "Extortioners' Lair Found Deep In Brandon Woods"
- 2 May "Proctors Silent In Extortion Affair"
- 3 May "Federal Agents Hunt Typewriter In Brandon Case"
- 25 May "Mysterious Car Seen In Proctor Sought By Police"

"Hunt Extortionists In Vermont Search," *The New York Times*, 28 April 1934.

Letters from David M. Hardy, Section Chief, Record/Information Dissemination Section, Federal Bureau of Investigation, U.S. Department of Justice, re: Request No. 1069282-000 to Mary Fregosi, 9 May 2007 and 20 June 2007.

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